(d) whether crude will be supplied at concessional prices; and

(e) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) No, Sir.

(b) to (e) Do not arise in view of (a) above.

**Impact of rising oil prices on oil companies**

3518. DR. M. A.M. RAMASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the oil prices in the international market during the each of the three years, year-wise;

(b) whether due to increase in oil prices, the oil companies in the country are heavily burdened marking it difficult for them to invest in infrastructure and other business; and

(c) if so, the remedial measures taken by Government in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Information is given in the Statement (*See* below).

(b) and (c) With a view to containing the burden of the increase in international prices on consumers of petroleum products, Public Sector Oil Marketing Companies (OMCs) have not passed on the full increase in international prices to the domestic consumer prices of these products. The burden borne by oil companies will, of course, go up to the extent that domestic prices are not revised upwards when international prices shoot up. With effect from 1st August, 2004 Government had worked out a price band mechanism, allowing OMCs freedom to revise the prices of petrol and diesel within the prescribed price band. However, the steep and volatile increase in the international prices of crude oil resulted in the ceiling of the price band being breached within weeks of its being made operational resulting in the mechanism being placed in abeyance. It is hoped that when international prices stabilize, or Government so decides, the price band mechanism might be restored. It may be noted that private sector companies are free to fix their prices.

## *Statement*

### *Latest International Prices of Petroleum Products and Crude*

All figures in $/bbl

| | Crude | | | | Petroleum Products | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dubai | Oman | Brent Dated | Indian Basket | Jet/Kero Arab Gulf | Jet/Kero Singapore | Naphtha Arab Gulf | Naphtha Singapore | GO.5% Arab Gulf | GO.5% Singapore | HSFO 180 Arab Gulf | HSFO 180 Singapore | Unleaded Singapore |
| 2002 | 23.85 | 23.95 | 25.02 | 24.38 | 26.50 | 28.08 | 23.78 | 24.93 | 25.88 | 27.55 | 22.01 | 22.89 | 26.88 |
| 2003 | 26.76 | 27.13 | 28.83 | 27.75 | 30.59 | 32.90 | 27.88 | 29.93 | 29.87 | 32.31 | 24.68 | 26.14 | 33.64 |
| 2004 | 33.69 | 34.38 | 38.27 | 35.86 | 44.86 | 47.49 | 38.82 | 40.74 | 42.90 | 45.69 | 25.99 | 28.35 | 46.23 |
| 2005 | 42.45 | 43.68 | 48.33 | 45.33 | 57.37 | 60.08 | 45.22 | 46.54 | 53.89 | 56.76 | 30.70 | 32.89 | 54.63 |
| Average | 31.69 | 32.29 | 36.11 | 33.33 | 39.83 | 42.14 | 33.93 | 35.53 | 38.13 | 40.58 | 25.85 | 27.57 | 40.35 |

INDIAN BASKET=(AVERAGE DUBAI & OMAN) *0.57 + (BRENT DATED)* 0.43

| | Sadui C.P Propane US$/T | Sadui C.P Butane US$/T |
|---|---|---|
| 2002 | 250.14 | 235.56 |
| 2003 | 297.89 | 286.66 |
| 2004 | 347.48 | 353.49 |
| 2005 | 376.52 | 382.29 |
| Average: | 318.01 | 314.50 |

Note
Figures of 2005 are upto 18/04/2005
Source Platts